

EXHIBIT A

NiSource Bob Skaggs
Sent by: Catherine
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To: NiSource All Email Users
cc:
Subject: A definitive agreement with IBM

06/21/2005 08:45 AM

Dear Colleague:

Late yesterday, we signed a definitive agreement with IBM to provide business support functions at NiSource. Moments ago, we fulfilled financial disclosure requirements by issuing a news release informing all investor groups of our news simultaneously. Now, I would like to share a message directly with you on this important topic.

Starting July 1, 2005, IBM will operate a broad range of business support functions for NiSource, including processes within Human Resources, Finance and Accounting, Supply Chain, Customer Contact Centers, Meter to Cash, Retail Sales, and Information Technology. More details about each of these business support activities will be available later in the week.

Our first priority this morning, however, is to advise individual employees within these work groups how this transformation effort will affect their jobs. Some employees will be retained as NiSource employees; some will be offered a new position with IBM; and some will be scheduled for release with a severance package. The goal is for each individual to know his or her personal circumstances by mid-afternoon. Most will receive additional detailed information from NiSource or IBM over the next few days.

It is important to remember that NiSource's decision to collaborate with IBM is not a reflection on the performance of any group or individual affected by this change. In fact, our company has a long history of adapting to new technologies and continually finding new ways to efficiently and effectively accomplish our work. In that respect, our collaboration with IBM is an important progression in our efforts to remain competitive and achieve our platform for long-term, sustainable growth. This agreement will enable us to access new technology and service capabilities for our company and state-of-the-art service for our customers, and redeploy capital toward growth opportunities. Working with IBM will allow us to focus on growing our business while providing safe, reliable service to our customers.

I encourage you to read today's MySource postings and watch for more information coming soon. And please understand that achieving the benefits of this effort will require some level of change, support, and commitment from everyone. In fact, our greatest asset over the next several months may be our demonstrated ability to stay focused and adapt to this change.

Thank you for doing your best to support this transformation as we move forward. I firmly believe this is about preserving long-term opportunities by keeping our business competitive and building a strong foundation for growth in the future.

Sincerely,

